

Rating Object	Rating Information
<p>Crédit Agricole S.A.</p> <p>Creditreform ID: 400993325 Management: Philippe Brassac (CEO)</p> <p>Rating Date: 12 November 2021 Monitoring until: withdrawal of the rating Rating Methodology: CRA "Bank Ratings v.3.0" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.0" CRA "Environmental, Social and Governance Score for Banks v.1.0" CRA "Rating Criteria and Definitions v.1.3" CRA "Institutional Protection Scheme Banks v1.0"</p> <p>Rating History: www.Creditreform-rating.de</p>	<p>Long Term Issuer Rating / Outlook: A / positive Short Term: L2</p> <p>Stand Alone Rating: A-</p> <p>Type: Update / Unsolicited</p> <p>Rating of Bank Capital and Unsecured Debt Instruments:</p> <p>Preferred Senior Unsecured: A Non-Preferred Senior Unsecured: A- Tier 2: BBB- Additional Tier 1: BB+</p>

Contents

Key Rating Driver 1

Executive Summary..... 1

Company Overview 2

Business Development 4

 Profitability 4

 Asset Situation and Asset Quality 6

 Refinancing, Capital Quality and Liquidity 8

ESG Score Card 11

Conclusion 12

Appendix..... 14

Key Rating Driver

- + Large G-SIB, second largest banking group based in France by assets
- + The biggest European asset manager and the number one insurer in France
- + Cooperative Structure legally bound by solidarity mechanisms
- + No collapse in earnings during the Corona pandemic
- + Above-average equity ratios, especially at Group level
- + Significant profit increase expected by year-end 2021
- +/- Substantial refinancing by the ECB's TLTRO III programme
- High dependence on economic development in France

Executive Summary

Creditreform Rating affirms the unsolicited long-term issuer rating of Crédit Agricole S.A. at A. However, we raise the outlook from negative to positive. The raise of the outlook and the affirmation of the Credit rating are a result of the only minor impact of the Corona crisis on Crédit Agricole's performance. In addition, we expect a higher net profit in 2021 and a growth in customer base. Moreover, Crédit Agricole benefits from its cooperative structure and the solidarity mechanisms with the 39 regional banks in France.

Analysts

Tobias Stroetges
t.stroetges@creditreform-rating.de
Lead-Analyst

Philipp J. Beckmann
p.beckmann@creditreform-rating.de
Senior Analyst

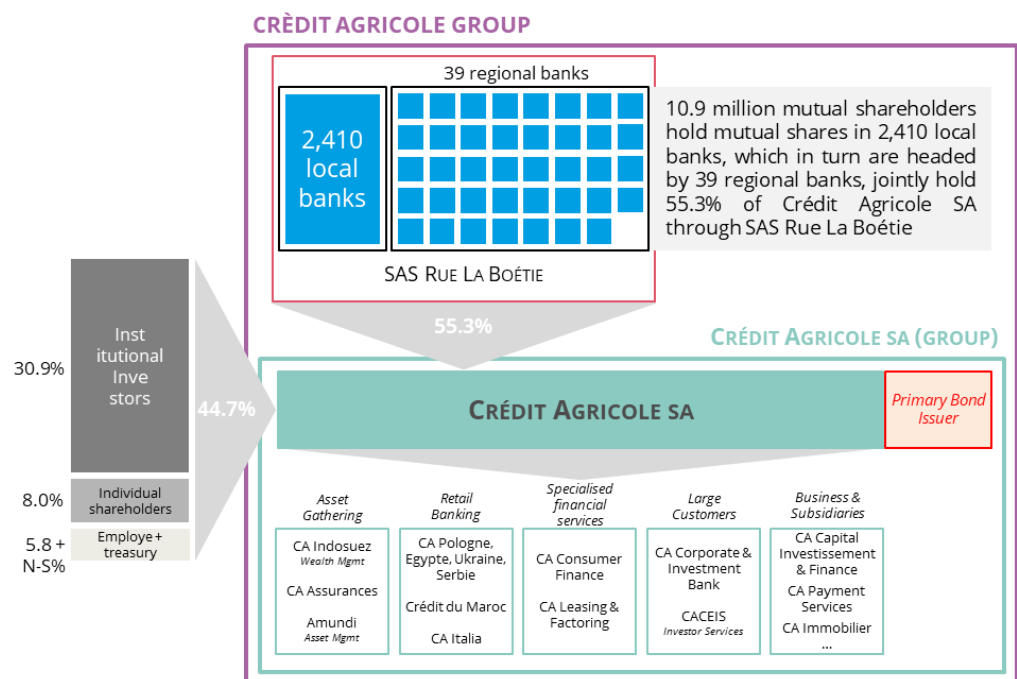
Christian Konieczny
c.konieczny@creditreform-rating.de
Person Approving Credit Ratings

Neuss, Germany

Company Overview

The Crédit Agricole Mutuel was founded as a mutual bank on 5 November 1894. The listed Crédit Agricole S.A. (hereinafter "CASA") acts as a central institution and, together with 2,410 local banks and 39 regional banks, forms the cooperative banking Group of Crédit Agricole S.A. (hereinafter "CA", "bank" or "Group"). The Group has over 10.9 million mutual shareholders and employs about 142,000 employees worldwide. The bank is active in 48 countries and operates 8,200 retail banking branches and serves around 52 million retail customers worldwide. The Group is a leading actor in many industries in its home market of France, for example as the biggest provider of Credit to the French economy (€707bn loans outstanding). It is also the biggest European asset manager (€1.73tn AUM) and is the number one insurer in France.

Chart 1: Group Structure and Shareholders of Crédit Agricole SA | Source: Reg. Document 2020, Own Illustration



In June 2019, Crédit Agricole presented the Medium-Term Plan 2022 together with the "Purpose of Crédit Agricole", "to act every day in the interest of our customers and society". The objectives of the previous Medium-Term Plan "Strategic Ambition 2020" were fulfilled early on. The objectives of the Group project are excellence in customer relations, empowered teams for customers and commitment to society. Financial targets were set as follows: €5bn net income (Group share) at CASA (2019: €4.85bn), a return on equity of 11% (10% per MTP 2020), a CET1 ratio of over 16% (2019 Q3: 16.7%) and a cost income ratio of below 60% at CASA (2019: approx. 63% incl. SRF). In addition, Crédit Agricole seeks to increase synergies between the different entities that make up CA Group by €1.3bn to €10bn in 2022, especially in insurance. To aid the technological transformation, Crédit Agricole is allocating €15bn to IT over the course of the

next 4 years. Part of MTP is also a simplification of the capital structure with the partial unwinding of the so-called Switch Guarantee. In this unwinding, in which CASA transferred regulatory requirements for insurance activities to regional banks in return for a fee, the net income of the CASA will be positively impacted by €70m per year, at the cost of 40 basis points (bp) of CET1 ratio. Of course, the ambitious goals could not be pursued consistently due to the Corona pandemic. In the meantime, some of the targets have already been (approximately) achieved.

In light of the COVID-19 crisis, Crédit Agricole granted a multitude of support measures to help customers weather the impact. Crédit Agricole granted a moratorium on loan repayments to corporate and SME business customers impacted by the crisis. In addition, the French State introduced state guaranteed loans (Prêts Garantis par l'Etat) to meet cash flow requirements of affected businesses. Due to the size of Crédit Agricole and its servicing of customers from very small to very large, the Group has received a significant share of all state guaranteed loan requests, totaling €31.5bn per end of December 2020.

Business Development

Profitability

The fiscal year 2020 was a successful one despite the Corona Pandemic for the Group. The bank posted yet another increase in operating income to €20.977bn. This increase is due to the improved universal life insurance business and increased retail banking. The net interest income increased by €0.37bn, as interest expense decreased more rapidly than interest income. Net fee and commission income likewise increased by €0.17bn, mainly due to an increase in payment instruments and other banking and financial services income. The positive result in the insurance result must be considered in combination with the lower net trading income. As in previous years, a decrease in net gains from "assets backing unit-linked contracts" means a lower technical reserve in the insurance business and vice versa. Overall, the insurance result in combination with the net trading result developed positively compared with the previous year.

Operating expense increased slightly (+1.4%). Personnel expense increased modestly by €0.087bn or 1.2%, while other expense decreased by €0.002bn.

As a result, pre-impairment operating profit was slightly up on the previous year by €0.279bn (+3.6%). The significant decrease of €2.220 billion in net income was due to the increased provision for risks from the Corona pandemic and the higher tax rate. The higher tax rate is due to permanent differences between tax accounting and financial accounting. The higher risk costs are largely risk provisions for Stage 1 and Stage 2 loans. The increase in risk provisions for Stage 3 loans was below average.

In terms of earnings, the Crédit Agricole Group showed a similar development to Crédit Agricole SA. We refer to the key financial figures of the Crédit Agricole Group at the end of the report.

A detailed Crédit Agricole S.A. income statement for the years of 2017 through 2020 can be found in Figure 1 below:

Figure 1: Crédit Agricole S.A. income statement | Source: eValueRate / CRA

Income Statement (EUR m)	2020	%	2019	2018	2017
Income					
Net Interest Income	11.818	+3,3	11.444	11.570	12.276
Net Fee & Commission Income	4.221	+4,1	4.056	4.159	3.805
Net Insurance Income	1.493	< -100	-12.808	2.830	-5.481
Net Trading Income	1.868	-88,0	15.614	-756	5.928
Equity Accounted Results	413	+17,3	352	255	728
Dividends from Equity Instruments	999	-38,3	1.620	1.206	1.720
Other Income	165	-31,3	240	731	386
Operating Income	20.977	+2,2	20.518	19.995	19.362
Expense					
Depreciation and Amortisation	1.143	+9,1	1.048	759	765
Personnel Expense	7.234	+1,2	7.147	7.123	6.933
Tech & Communications Expense	-	-	-	-	-
Marketing and Promotion Expense	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Expense	4.578	-0,0	4.580	4.710	4.505
Operating Expense	12.955	+1,4	12.775	12.592	12.203
Operating Profit & Impairment					
Pre-impairment Operating Profit	8.022	+3,6	7.743	7.403	7.159
Asset Writedowns	3.509	+90,2	1.845	995	1.422
Net Income					
Non-Recurring Income	110	+31,0	84	97	232
Non-Recurring Expense	256	> +100	68	9	40
Pre-tax Profit	4.367	-26,2	5.914	6.496	5.929
Income Tax Expense	1.129	> +100	456	1.466	1.732
Discontinued Operations	-	-	-	-3	20
Net Profit	3.238	-40,7	5.458	5.027	4.217
Attributable to minority interest (non-controlling interest)	546	-11,1	614	627	568
Attributable to owners of the parent	2.692	-44,4	4.844	4.400	3.649

The decrease in net profit was visible in the income ratios of 2020. All income figures relating to the annual result have declined significantly. The key earnings figures after taxes have declined particularly sharply due to the effect described above. In our quantitative analysis of the key earnings figures, Crédit Agricole S.A. is only below average. The key earnings figures for the entire Crédit Agricole Group are also below average. Only the cost income ratios show that Crédit Agricole was able to improve slightly in its operating business. This improvement in efficiency will help Crédit Agricole to achieve its earnings target for the cost/income ratio after the crisis.

A detailed overview of the income ratios for the years of 2017 through 2020 can be found in Figure 2 below:

Figure 2: Crédit Agricole S.A. key earnings figures | Source: eValueRate / CRA

Income Ratios (%)	2020	%	2019	2018	2017
Cost Income Ratio (CIR)	61,76	-0,50	62,26	62,98	63,03
Cost Income Ratio ex. Trading (CIRex)	67,80	-192,71	260,50	60,68	90,84
Return on Assets (ROA)	0,17	-0,14	0,31	0,31	0,27
Return on Equity (ROE)	4,41	-3,30	7,70	7,67	6,52
Return on Assets before Taxes (ROAbT)	0,22	-0,11	0,33	0,40	0,38
Return on Equity before Taxes (ROEbT)	5,94	-2,41	8,35	9,92	9,16
Return on Risk-Weighted Assets (RORWA)	0,97	-0,72	1,69	1,64	1,42
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,30	-0,53	1,83	2,12	2,00
Net Interest Margin (NIM)	0,73	-0,87	1,60	0,70	1,24
Pre-Impairment Operating Profit / Assets	0,41	-0,03	0,44	0,46	0,46
Cost of Funds (COF)	0,80	-0,26	1,07	1,12	1,11
Change in %Points					

As for the first half of 2021, the key income figures have improved significantly compared to the previous year. The increase in earnings is attributable to further growth in the assets under management business. In general, all major business lines are developing positively compared to the previous year. In many business areas, the Crédit Agricole S.A. /Group is already more profitable than before the Corona crisis. If the trend in asset management and retail business remains unchanged, the quantitative sub-area of profitability will improve significantly.

Asset Situation and Asset Quality

The balance sheet grew significantly in 2020, owing in large part to the increase in cash and balances with central Banks. The major drivers of growth were in order by cash positions and net loans to banks. Cash positions grew by €101.2bn or 108.7%, being responsible for more than 50% of overall growth. The high cash balance is due to the borrowing of €133 billion under the ECB's TLTRO III program (Crédit Agricole Group). This high cash position will be gradually reduced over the next few years by expanding the lending business. The increase in net loans to banks is also attributable to the higher liquidity resulting from the TLTRO III program. The loan portfolio continued to develop positively, increasing both in terms of volume and in the number of borrowers. Around 70% of borrowers are still from France, followed by around 10% from Italy. At Crédit Agricole S.A., the geographical distribution of borrowers is even more diversified due to the higher presence in Western Europe. Otherwise, there were no significant changes on the assets side of the balance sheet.

A detailed look at the development of the asset side of the balance sheet for the years of 2017 through 2020 can be taken in Figure 3 below:

Figure 3: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2020	%	2019	2018	2017
Cash and Balances with Central Banks	194.269	> +100	93.079	66.976	50.761
Net Loans to Banks	455.703	+5,2	433.284	407.947	387.824
Net Loans to Customers	403.096	+2,8	392.004	370.830	361.681
Total Securities	482.202	+3,0	468.356	421.938	448.285
Total Derivative Assets	145.445	+14,2	127.309	115.251	122.230
Other Financial Assets	195.196	+13,1	172.640	164.027	99.186
Financial Assets	1.875.911	+11,2	1.686.672	1.546.969	1.469.967
Equity Accounted Investments	7.650	+5,8	7.232	6.368	5.177
Other Investments	6.522	-0,8	6.576	6.408	6.196
Insurance Assets	2.623	+8,1	2.426	344	281
Non-current Assets & Discontinued Ops	2.734	> +100	475	257	495
Tangible and Intangible Assets	23.634	-1,7	24.041	21.847	21.811
Tax Assets	4.304	+0,1	4.300	4.480	4.462
Total Other Assets	37.684	+4,9	35.921	37.721	41.894
Total Assets	1.961.062	+10,9	1.767.643	1.624.394	1.550.283

The asset ratios have deteriorated moderately due to the Corona pandemic. Asset quality remains at an adequate level. The higher depreciation ratios and the increased potential problem loans are due to the principle of prudence. These result from a conservative macroeconomic scenario view of the economic performance in the European countries, specifically in France. However, one of the lowest RWA ratio for a major European bank shows that Crédit Agricole S.A. has a low-risk loan portfolio. We consider the risk provisioning to be adequate. On a positive note, the asset quality of Crédit Agricole S.A. and the entire Crédit Agricole Group proved resilient during the Corona pandemic.

A detailed overview of the asset quality for the years of 2017 through 2020 can be found in Figure 4 below:

Figure 4: Development of asset quality | Source: eValueRate / CRA

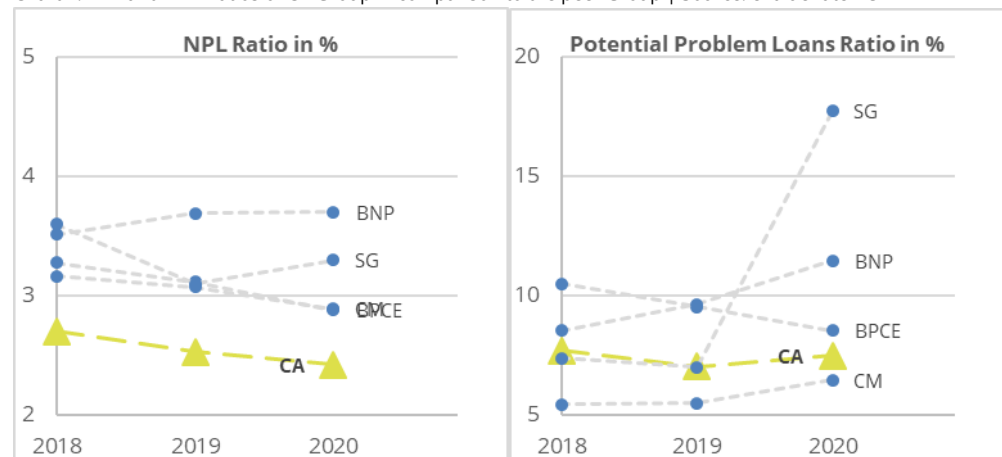
Asset Ratios (%)	2020	%	2019	2018	2017
Net Loans/ Assets	20,55	-1,62	22,18	22,83	23,33
Risk-weighted Assets/ Assets	17,11	-1,20	18,31	18,89	19,12
NPLs*/ Net Loans to Customers	3,33	-0,02	3,35	3,51	4,70
NPLs*/ Risk-weighted Assets	4,00	-0,06	4,06	4,24	5,74
Potential Problem Loans**/ Net Loans to Customers	9,73	+1,87	7,86	8,55	0,63
Reserves/ NPLs*	71,47	+1,31	70,16	73,41	58,66
Reserves/ Net Loans	2,38	+0,03	2,35	2,58	2,76
Net Write-offs/ Net Loans	0,87	+0,40	0,47	0,27	0,39
Net Write-offs/ Risk-weighted Assets	1,05	+0,48	0,57	0,32	0,48
Net Write-offs/ Total Assets	0,18	+0,07	0,10	0,06	0,09
Level 3 Assets/ Total Assets	1,62	-0,17	1,79	0,93	0,52
Change in %Points					

* NPLs are represented from 2017 onwards by Stage 3 Loans.
** Potential Problem Loans are Stage 2 Loans where available.

The comparison of the NPL ratio and the potential problem loans ratio with the other major banks in France illustrates the assessment that the Crédit Agricole

Group has a risk-averse loan portfolio with good risk control. Crédit Agricole benefits from its cooperative business model, which allows for close Credit risk control.

Chart 2: NPL and RWA ratios of CA Group in comparison to the peer Group | Source: eValueRate / CRA



In the first half of 2021, the customer loan portfolio has increased to 442 billion. In addition to organic growth due to customers' Credit needs, the integration of the northern Italian bank Credito Valtellinese (Creval) led to the growth. This acquisition has led to a further diversification of the loan portfolio and will further expand the high-margin Italian business. We expect the volume of lending in Italy to continue to increase over the next few years. We continue to see declining risks in the loan portfolio at the end of the year, with a lower cost of risk and an at least constant NPL ratio, for both the S.A. and the Group.

Refinancing, Capital Quality and Liquidity

The growth of the asset side was carried by a large degree very robust customer deposits growth as well as similarly robust growth in total deposits from banks, mostly TLTRO (133 bn/group). Financial liabilities grew by €179.7bn, of which €72.5bn accounted for growth in customer deposits. Customer deposits have continuously grown at an accelerated rate in the observed period. More than half of the balance sheet growth between 2017 and 2020 was due to customer deposits growth. The high customer deposits currently represent low-interest refinancing and are decisive for the net interest income achieved. Total debt outstanding increased by 11.2% over the previous year, in contrast, equity capital on the balance sheet increased by only 3.7% compared to the previous year. For the Crédit Agricole Group as a whole, the difference between the total liabilities increase (+10.7%) and equity increase (4.1%) was much less visible

A detailed overview of the development of liabilities for the years of 2017 through 2020 can be found in Figure 5 below:

Figure 5: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2020	%	2019	2018	2017
Total Deposits from Banks	239.124	> +100	115.699	110.778	106.687
Total Deposits from Customers	717.868	+11,2	645.345	597.170	549.040
Total Debt	186.601	-16,3	222.859	207.237	214.537
Derivative Liabilities	135.020	+11,7	120.894	111.300	126.345
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	183.928	+3,3	178.003	157.636	119.764
Total Financial Liabilities	1.462.541	+14,0	1.282.800	1.184.121	1.116.373
Insurance Liabilities	363.136	+2,0	356.138	324.055	320.441
Non-current Liabilities & Discontinued Ops	1.430	> +100	478	229	354
Tax Liabilities	3.334	-11,5	3.766	2.376	3.482
Provisions	4.197	-3,8	4.364	5.809	4.421
Total Other Liabilities	52.929	+7,5	49.254	42.288	40.506
Total Liabilities	1.887.567	+11,2	1.696.800	1.558.878	1.485.577
Total Equity	73.495	+3,7	70.843	65.516	64.706
Total Liabilities and Equity	1.961.062	+10,9	1.767.643	1.624.394	1.550.283

The regulatory capital ratios of Crédit Agricole S.A./group generally increased in the fiscal year 2020, as the RWA ratio declined. Total balance equity in relation to total assets has moderately decreased in the observed period. The Basel III leverage ratio is only acceptable in consideration of the temporary exemption for deposits with Eurosystem central banks. Otherwise, it would also have fallen. Regulatory ratios, however, increased due to relatively lower RWA ratios. Furthermore, the equity ratios of the Group are significantly higher than those of the S.A.. Nonetheless, all equity ratios show a significant buffer to SREP requirements. In our quantitative assessment, the sub-area of capital quality is rated better for the Group than for S.A. The LCR Crédit Agricole Group's liquidity has improved and remains above average.

A detailed overview of the development of capital and liquidity ratios for the years of 2017 through 2020 can be found in Figure 6 below:

Figure 6: Development of capital and liquidity ratios | Source: eValueRate / CRA

Capital Ratios and Liquidity (%)	2020	%	2019	2018	2017
Total Equity/ Total Assets	3,75	-0,26	4,01	4,03	4,17
Leverage Ratio	4,90	+0,70	4,20	4,03	4,40
Common Equity Tier 1 Ratio (CET1)*	12,90	+0,80	12,10	11,50	11,70
Tier 1 Ratio (CET1 + AT1)*	14,20	+1,00	13,20	13,10	13,40
Total Capital Ratio (CET1 + AT1 + T2)*	18,50	+1,60	16,90	17,20	17,40
SREP Capital Requirements	7,90	-0,80	8,70	7,92	5,75
Net Loans/ Deposits (LTD)	56,15	-4,59	60,74	62,10	65,88
Interbank Ratio	190,57	-183,92	374,49	368,26	363,52
Liquidity Coverage Ratio	149,00	+17,40	131,60	133,34	137,00
Customer Deposits / Total Funding (excl. Derivates)	40,96	+0,01	40,95	41,25	40,39

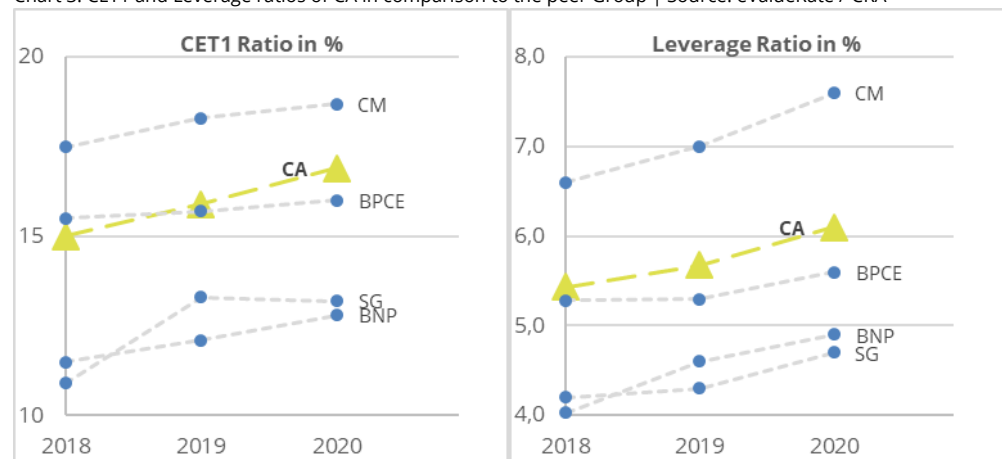
Change in %Points
* Fully-loaded where available

Due to Crédit Agricole's bank capital and debt structure, as well as its status as a G-SIB, the Group's Preferred Senior Unsecured Debt instruments have not been notched down in comparison to the long-term issuer rating. Due to the seniority structure,

Crédit Agricole's Non-Preferred Senior Unsecured debt has been notched down by one notch. However, BANK's Tier 2 capital rating is rated three notches below the long-term issuer rating based on the bank's capital structure and seniority in accordance with our rating methodology. Additional Tier 1 capital is rated five notches below the long-term issuer rating, reflecting a high bail-in risk in the event of resolution.

The comparison of the CET1 ratio and the Leverage ratio with the other major banks in France illustrates the assessment that the Crédit Agricole Group has a comfortable equity capitalisation. Crédit Agricole benefits from its low RWAs, which allows to pay dividends in the next years.

Chart 3: CET1 and Leverage ratios of CA in comparison to the peer Group | Source: eValueRate / CRA



At the half-year 2021, the equity capitalization is almost unchanged. Although the balance sheet and regulatory capital has increased further, it is at a similar level to the risk-weighted assets. The liquidity situation is also almost as good as before.

Environmental, Social and Governance (ESG) Score Card

Credit Agricole Group has one significant and two moderate ESG rating drivers

- Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated positive due to CA's solid and sustainable earning figures, good asset quality and capitalization, convincing MTP 2022.

- Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated positive due to a convincing portfolio of green bonds, Coporate Behaviour is rated neutral due the misconduct in recent years in relation with money laundering allegations or previous misdemeanors for example in the rigging of the LIBOR. Alleviating circumstance is the lack of current material legal proceedings against CA.

ESG Score

3,9 / 5

ESG Score Guidance

> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
<= 1,75	Poor

Factor	Sub-Factor	Consideration	Relevance Scale 2021	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
	1.2 Exposure to Environmental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating, and is rated very positive in terms of the CRA ESG criteria.	1	(+ +)

Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated positive in terms of the CRA ESG criteria.	4	(+)
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	()
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
()	Neutral
(-)	Negative
(- -)	Strong negativ

Conclusion

Creditreform Rating affirms the rating of Crédit Agricole S.A. at 'A' and increases the outlook from negative to positive.

Crédit Agricole S.A. looks back on a successful 2020 financial year. The effects of the Corona pandemic did not cause lasting damage to Crédit Agricole's cooperative and highly diversified business model. On the contrary, Crédit Agricole continued to grow during the pandemic, especially in its Asset Management business. We are also positive about the consistently implemented focus on high-margin business lines. The organic and inorganic growth of the loan portfolio in France and Italy will allow Crédit Agricole to further increase its earnings in the coming years.

The Corona crisis has once again highlighted how risk-averse and diversified the Crédit Agricole Group's cooperative business model is. On the one hand, the Crédit portfolio is very risk-averse due to the high proportion of mortgage loans, and on the other hand, asset management (Amundi) and the insurance business in particular were able to more than compensate for the partial decline in other business lines during the crisis. The low RWA ratio, which is also due to the cooperative business model, enables the group to show very resistant capital ratios, which will remain far above the SREP requirements even in a negative macroeconomic environment.

The already decreasing risk provisioning and increasing earnings at the half-year 2021 and Q3/2021 respectively point to a more positive development, which should be above the pre-crisis level, accordingly we have raised the outlook. It remains to be seen to what extent the targeted lower cost structure can be implemented during the growth process. In addition, the business lines that benefited particularly strongly during the Corona pandemic will not be able to maintain their growth rates in the coming years.

The cooperative guarantee system between Crédit Agricole S.A. and the 39 regional banks continues to be essential for our rating assessment.

Outlook

The outlook of the Long-Term Issuer Rating of Crédit Agricole S.A. and its bank capital and debt instruments is 'stable'. In the medium term, CRA expects a higher profitability with the same asset quality. We also expect equity ratios to remain approximately constant. Moreover, we assume no significant economic worsening due to the Corona pandemic and stable political environment in France and Italy.

Best-case scenario: AA-

Worst-case scenario: A-

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

Scenario Analysis

In a scenario analysis, the bank is able to reach an “AA-” rating in the “best case” scenario and an “A-” rating in the “worst case” scenario. The ratings of bank capital and senior unsecured debt would behave similarly based on our rating mechanism. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

We might upgrade Crédit Agricole’s long-term issuer Crédit rating and its bank capital and debt instruments, if we see that Crédit Agricole is able to increase earnings in future periods. Furthermore, the high capitalization should be maintained

By contrast, a downgrade of the Crédit Agricole’s long-term issuer Crédit rating and its bank capital and debt instruments is likely, if we see a lasting decline of Crédit Agricole’s profitability and a reduction of the banks’ capital ratios. In particular, we will observe the ongoing Corona pandemic impact on Crédit Agricole’s asset quality and its business activities in general.

Appendix

Bank ratings

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

LT Issuer / Outlook / Short-Term **A / positive / L2**

Bank Capital and Debt Instruments Ratings

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured Debt (PSU): **A**
 Non-Preferred Senior Unsecured Debt (NPS): **A-**
 Tier 2 (T2): **BBB-**
 Additional Tier 1 (AT1): **BB+**

Rating History

Please consult our website www.Creditreform-rating.de for additional information regarding the dates of publication.

Figure 7: Rating History

Bank Issuer Rating	Rating Date	Result
LT / Outlook / Short-Term (Initial)	05.05.2017	A / stable / L2
Rating Update	01.02.2018	A / stable / L2
Rating Update	31.08.2018	A / stable / L2
Rating Update	22.11.2019	A / stable / L2
Monitoring	24.03.2020	A / NEW / L2
Rating Update	17.11.2020	A / negative / L2
Rating Update	12.11.2021	A / positive / L2
Bank Capital and Debt Instruments	Rating Date	Result
Senior Unsecured / T2 / AT1 (Initial)	01.02.2018	A / BBB- / BB+
Senior Unsecured / T2 / AT1	31.08.2018	A / BBB- / BB+
PSU / NPS / T2 / AT1	22.11.2019	A / A- / BBB- / BB+
PSU / NPS / T2 / AT1	24.03.2020	A / A- / BBB- / BB+ (NEW)
PSU / NPS / T2 / AT1	17.11.2020	A / A- / BBB- / BB+
PSU / NPS / T2 / AT1	12.11.2021	A / A- / BBB- / BB+

Figure 8: Income statement of Crédit Agricole Group | Source: eValueRate / CRA

Income Statement (EUR m)	2020	%	2019	2018	2017
Income					
Net Interest Income	18.790	+4,4	17.997	18.516	19.677
Net Fee & Commission Income	9.443	-1,2	9.559	9.688	9.709
Net Insurance Income	2.899	< -100	-6.126	6.634	-5.291
Net Trading Income	1.061	-89,2	9.795	-3.806	6.165
Equity Accounted Results	419	+17,7	356	266	732
Dividends from Equity Instruments	962	-37,3	1.535	1.103	1.763
Other Income	473	-15,5	560	828	296
Operating Income	34.047	+1,1	33.676	33.229	33.051
Expense					
Depreciation and Amortisation	2.875	+21,5	2.366	1.102	1.041
Personnel Expense	12.685	+0,2	12.656	12.198	11.857
Tech & Communications Expense	-	-	-	-	-
Marketing and Promotion Expense	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Expense	7.261	-2,8	7.474	8.105	7.963
Operating Expense	22.821	+1,4	22.496	21.405	20.861
Operating Profit & Impairment					
Pre-impairment Operating Profit	11.226	+0,4	11.180	11.824	12.190
Asset Writedowns	3.651	> +100	1.757	1.719	1.737
Net Income					
Non-Recurring Income	111	+26,1	88	-	63
Non-Recurring Expense	66	+100,0	33	-	47
Pre-tax Profit	7.620	-19,6	9.478	10.105	10.469
Income Tax Expense	2.165	+24,7	1.736	2.733	3.479
Discontinued Operations	-262	> +100	-38	-3	20
Net Profit	5.193	-32,6	7.704	7.369	7.010
Attributable to minority interest (non-controlling interest)	504	-0,4	506	525	474
Attributable to owners of the parent	4.689	-34,9	7.198	6.844	6.536

Figure 9: Key earnings figures of Crédit Agricole Group | Source: eValueRate / CRA

Income Ratios (%)	2020	%	2019	2018	2017
Cost Income Ratio (CIR)	67,03	+0,23	66,80	64,42	63,12
Cost Income Ratio ex. Trading (CIRex)	69,18	-25,02	94,20	57,80	77,59
Return on Assets (ROA)	0,23	-0,15	0,38	0,40	0,40
Return on Equity (ROE)	4,11	-2,23	6,34	6,57	6,51
Return on Assets before Taxes (ROAbT)	0,34	-0,13	0,47	0,54	0,59
Return on Equity before Taxes (ROEbT)	6,02	-1,77	7,80	9,01	9,72
Return on Risk-Weighted Assets (RORWA)	0,92	-0,45	1,38	1,36	1,34
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,36	-0,34	1,70	1,87	2,01
Net Interest Margin (NIM)	0,97	-0,53	1,50	0,86	1,59
Pre-Impairment Operating Profit / Assets	0,51	-0,05	0,56	0,64	0,69
Cost of Funds (COF)	0,77	-0,29	1,06	1,07	1,07
Change in %Points					

Figure 10: Development of assets of Crédit Agricole Group | Source: eValueRate / CRA

Assets (EUR m)	2020	%	2019	2018	2017
Cash and Balances with Central Banks	197.792	> +100	97.135	70.584	54.119
Net Loans to Banks	82.301	-13,8	95.472	91.768	85.467
Net Loans to Customers	962.649	+5,7	910.319	853.079	906.034
Total Securities	529.223	+3,8	509.751	465.089	439.447
Total Derivative Assets	151.023	+14,2	132.257	117.263	130.441
Other Financial Assets	129.486	+16,1	111.569	115.161	9.725
Financial Assets	2.052.474	+10,6	1.856.503	1.712.944	1.625.233
Equity Accounted Investments	7.423	+4,5	7.103	6.308	5.106
Other Investments	7.362	+1,2	7.277	6.967	6.744
Insurance Assets	66.534	+7,4	61.955	51.385	51.600
Non-current Assets & Discontinued Ops	5.017	> +100	475	257	495
Tangible and Intangible Assets	29.104	-0,9	29.355	26.284	25.927
Tax Assets	6.619	+5,2	6.293	6.223	5.554
Total Other Assets	42.979	+2,3	42.005	44.395	42.510
Total Assets	2.217.512	+10,3	2.010.966	1.854.763	1.763.169

Figure 11: Development of asset quality of Crédit Agricole Group | Source: eValueRate / CRA

Asset Ratios (%)	2020	%	2019	2018	2017
Net Loans/ Assets	43,41	-1,86	45,27	45,99	51,39
Risk-weighted Assets/ Assets	25,32	-2,48	27,80	29,21	29,58
NPLs*/ Net Loans to Customers	2,42	-0,10	2,53	2,70	3,13
NPLs*/ Risk-weighted Assets	4,15	+0,04	4,11	4,25	5,44
Potential Problem Loans**/ Net Loans to Customers	7,49	+0,44	7,05	7,70	0,31
Reserves/ NPLs*	83,96	+1,39	82,57	84,50	71,48
Reserves/ Net Loans	2,03	-0,05	2,09	2,28	2,24
Net Write-offs/ Net Loans	0,38	+0,19	0,19	0,20	0,19
Net Write-offs/ Risk-weighted Assets	0,65	+0,34	0,31	0,32	0,33
Net Write-offs/ Total Assets	0,16	+0,08	0,09	0,09	0,10
Level 3 Assets/ Total Assets	1,46	-0,09	1,55	0,64	0,45

Change in %Points

* NPLs are represented from 2017 onwards by Stage 3 Loans.
** Potential Problem Loans are Stage 2 Loans where available.

Figure 12: Development of refinancing and capital adequacy of Crédit Agricole Group | Source: eValueRate / CRA

Liabilities (EUR m)	2020	%	2019	2018	2017
Total Deposits from Banks	177.988	> +100	74.058	74.554	69.070
Total Deposits from Customers	976.103	+12,5	867.932	788.935	730.623
Total Debt	217.344	-16,8	261.111	248.641	228.540
Derivative Liabilities	142.993	+11,6	128.118	114.977	130.324
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	142.929	+4,2	137.188	130.771	119.689
Total Financial Liabilities	1.657.357	+12,9	1.468.407	1.357.878	1.278.246
Insurance Liabilities	365.568	+2,0	358.280	325.910	322.051
Non-current Liabilities & Discontinued Ops	3.552	> +100	478	229	354
Tax Liabilities	3.507	-12,2	3.996	2.442	2.618
Provisions	6.862	-1,1	6.937	8.107	6.365
Total Other Liabilities	54.192	+5,6	51.334	48.009	45.799
Total Liabilities	2.091.038	+10,7	1.889.432	1.742.575	1.655.433
Total Equity	126.474	+4,1	121.534	112.188	107.736
Total Liabilities and Equity	2.217.512	+10,3	2.010.966	1.854.763	1.763.169

Figure 13: Development of capital ratios of Crédit Agricole Group | Source: eValueRate / CRA

Capital Ratios and Liquidity (%)	2020	%	2019	2018	2017
Total Equity/ Total Assets	5,70	-0,34	6,04	6,05	6,11
Leverage Ratio	6,10	+0,42	5,68	5,43	5,60
Fully Loaded: Common Equity Tier 1 Ratio (CET1)	16,90	+1,00	15,90	15,00	14,90
Fully Loaded: Tier 1 Ratio (CET1 + AT1)	17,70	+1,10	16,60	15,90	15,80
Fully Loaded: Total Capital Ratio (CET1 + AT1 + T2)	20,40	+1,50	18,90	18,30	18,20
SREP Capital Requirements	8,90	-0,80	9,70	8,65	8,63
Net Loans/ Deposits (LTD)	98,62	-6,26	104,88	108,13	124,01
Interbank Ratio	46,24	-82,68	128,92	123,09	123,74
Liquidity Coverage Ratio	149,00	+20,20	128,80	133,36	133,00
Customer Deposits / Total Funding (excl. Derivates)	50,11	+0,83	49,28	48,47	47,91
Change in %Points					

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With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

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The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website www.Creditreform-rating.de. The rating was carried out on the basis of the rating methodology for [bank ratings as \(v3.0\)](#), the methodology for the [rating of bank capital and unsecured debt instruments \(v2.0\)](#), the methodology for the rating of [Government-Related Banks \(v2.0\)](#) the methodology for the rating of [Institutional Protection Scheme Banks \(v1.0\)](#) as well as the rating methodology for [Environmental, Social and Governance Score for Banks \(v1.0\)](#) in conjunction with Creditreform's basic document [Rating Criteria and Definitions \(v1.3\)](#).

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions (v1.3) are published on our homepage:

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On 12 November 2021, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to Crédit Agricole S.A. (Group), and the preliminary rating report was made available to the bank. There was no change in the rating score.

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1. Aggregated data base by eValueRate
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The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario Crédit ratings

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Creditreform Rating AG

Contact information

Creditreform Rating AG
Europadamm 2-6
D-41460 Neuss

Phone +49 (0) 2131 / 109-626
Fax +49 (0) 2131 / 109-627

E-Mail info@Creditreform-rating.de
www.Creditreform-rating.de

CEO: Dr. Michael Munsch

Chairman of the Board: Michael Bruns
HR Neuss B 10522